

MEMORANDUM FOR: Director of Weapons Intelligence ^{5 Dec 1975}
Joint Computer Support
SUBJECT: : FY 77-78 Planning for Research and
Exploratory Development

1. Last year, the Office of Research and Development instituted a new planning system whereby Customer Requirements were requested from 24 Agency components. Joint Customer-ORD working group meetings resulted in project proposals for both FY 76 and FY 77. These proposals were then integrated into a total ORD FY 76 program and a tentative FY 77 program plan. Approximately 80% of the FY 76 ORD research budget was allocated to direct customer requirements compared to approximately 50% in FY 75.

2. In order to provide continuity between last year's planning process and this year's, status reports of your FY 76 (+ TQ) and FY 77 requirements are attached. Changes since the last status report (provided to you in early April 1975) are explained. We realize that portions of the FY 77 Requirements list may be outdated since it was generated some eight months ago. Also, we have not had time to reprogram in response to the large OMB Budget Cut of 1 December. The FY 77 list, therefore, should be regarded merely as a point of departure for the FY 77-78 planning cycle discussion.

3. For convenience, we have defined six phases for the FY 77-78 planning cycle as follows:

a. Initial Requirements generated (Dec 8-Jan 9):

Please prepare a description of your estimated R&D needs for FY 77-78 (and projections of FY 79-82 research needs as well). At the same time, appropriate elements within ORD will prepare descriptions of possible R&D support programs based upon previous experience, an overall analysis of Agency needs, and an assessment of the current state of the art. These drafts should be exchanged prior to the initial working group meetings in the next phase.

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b. Initial joint working group meeting (Jan 12-16):

Discussion of your Initial Requirements and related ORD-proposed areas of activity.

c. ORD drafts Project Proposals based on joint meetings (Jan 19-30):

Preliminary estimates of project cost, schedule, and possible technical approaches will be drafted by ORD. This set of potential R&D projects will include both your initial requirements and those ORD-proposed efforts in which your representatives concurred at the joint meetings.

d. Project Proposals reviewed and ranked by Customer (Feb 2-13):

Your representatives and those from ORD will discuss amendments and corrections during this period. Also, you will be requested to prioritize the proposed projects in rank order, e.g., for 17 projects, the highest priority project would be ranked 1/17. This list of projects will constitute your formal list of Requirements for the FY 77-78 planning cycle. To fit our planning cycle schedule, I must have your finalized listing by 18 February. (Components outside the DDS&T should coordinate their Requirements within their Directorate if appropriate).

e. ORD FY 77 and FY 78 Program Plan (Feb 23-Mar 19):

Based on last year's experience, we expect that the total funding needed to service all customer requirements will far exceed the total ORD budget. The process by which ORD selects projects for its FY 77 Program (and the tentative FY-78 Plan) is essentially the Zero-Base Budgeting approach. At the conclusion of this phase, Projects to be funded will have been identified based on customer priorities, estimated feasibility/probability of success, estimated cost to achieve

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the desired goal, and the total ORD budgetary constraints.

f. Final Customer Review (April 5-16):

The ORD funding decisions pertaining to your Requirements will be forwarded to you by April 5. At this point, changes can still be suggested subject to the following constraint: Each Office Director could suggest substitutions within his dollar total, and each Deputy Director outside the DDS&T would be able to suggest substitutions within his directorate dollar total. All such suggestions must reach ORD before mid-April, since the ORD Program Call will be due to the DDS&T around that time.

4. The guidelines suggested for Initial Requirements last year are still valid:

- a. Address only those projects which are of a research and exploratory development nature; include areas having potentially high payoff with low a priori probability of success and areas with long-term (5-10 years) payoff. Exclude projects which are purely developmental, operational or production in nature, and exclude those activities which would normally fall within your own charter.
- b. Define Initial Requirements in sufficient detail to identify specific developmental, operational, or production problems that the research is intended to solve or help solve. Except for unusual cases, pre-judgements of technical approaches or solutions should be avoided.
- c. Define the relationships of the requested research to the total system needed to satisfy relevant intelligence objectives; this will

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enable ORD to identify other possible research requirements needed for the complete operational system.

5. The ORD planning system is still maturing and refinements will undoubtedly be needed over the next few years. However, based on our experience last year, the system appears to be of mutual benefit to ORD and its customers. I would, therefore, like to request that you designate a representative in your office through which appropriate ORD elements might work in identifying your research and exploratory development needs. The ORD representative responsible for coordinating your office requirements is

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Director of Research and Development

Attachment:
As stated

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